

# 2023 Corporate Governance Statement



Beach Energy Limited  
(ABN 20 007 617 969)

# Part 1 Introduction

This is a summary of Beach's main corporate governance principles and practices. It explains how Beach followed the Corporate Governance Principles and Recommendations (fourth edition) (Principles) during the financial year ended 30 June 2023.

This statement is effective as at 11 August 2023. The Board approved this statement on that date.

Beach's purpose to 'sustainably deliver energy for communities' means we operate while maintaining the highest health, safety and environmental standards. It conducts a business that values safety, creativity, respect, integrity, performance and

teamwork. It has policies, procedures and systems designed to promote high standards of governance.

Beach regularly reviews its policies, procedures and systems. It updates them as required to reflect changes in governance standards and practice.

Details or summaries of Beach's main policies are on its website [beachenergy.com.au](https://beachenergy.com.au).

## Front Cover

*Kupe Gas Plant, New Zealand  
Lang Lang Gas Plant, Victoria*



*Otway Gas Plant, Victoria*

# Part 2 The Board

The respective roles and responsibilities of the Board and management are in Beach's Board Charter. The Board Charter is available in the corporate governance section of Beach's website.

## 2.1 The role of the board and senior executives

The Board has general responsibility for overseeing the management of Beach. It approves Beach's corporate strategy and annual budgets. It appoints the Managing Director and/or CEO (Chief Executive Officer). The Board also oversees and monitors Beach's systems of risk management and internal control. It sets and monitors the performance of management against company goals. More specifically the Board:

- provides oversight and final approval of Beach's corporate strategy;
- monitors senior executives' implementation of Beach's corporate strategy;
- approves and monitors the business plan, budget and corporate policies;
- monitors and assesses the performance of Beach and the Board itself;
- oversees the risk management framework and monitors material business risks;
- requires and monitors legal and regulatory compliance;
- approves financial reports;
- monitors and reviews Beach's policies and performance in relation to health, safety, environment, community relations, climate change and other sustainability matters;
- ensures an effective system of internal controls exists and operates as expected;
- establishes Beach's vision, mission, values and ethical standards to be reflected in its Code of Conduct;
- delegates an appropriate level of authority to management;
- appoints or dismisses, manages the performance and determines the remuneration of the Chief Executive Officer;

- approves and monitors the progress of major capital expenditure, capital management and acquisitions and divestments; and
- oversees the making of material disclosures to the market.

The Board has delegated management of the company to the Chief Executive Officer and to senior executives. The Board has made the delegation through the Board Charter and an approved delegation of authority. The Chief Executive Officer and senior executives:

- implement the corporate strategy set by the Board;
- assume day to day responsibility for Beach's conformance with relevant laws and regulations and its compliance framework;
- seek to achieve performance targets set by the Board;
- develop, implement and manage Beach's risk management and internal control frameworks;
- provide sufficient and relevant information to the Board to enable the Board to effectively discharge its responsibilities; and
- conduct the business of Beach.

The Company Secretary is accountable to the Board through the Chairman on all matters to do with the proper functioning of the Board. The Board has direct access to the Company Secretary.

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Group subsidiaries are managed in a manner consistent with Beach's delegation of authority (approved by the Board) with group subsidiary directors being made up of senior executives of Beach.

## 2.2 Board composition and skills, diversity and competencies

At the date of this report the Board has six directors. The Directors' Report in the 2023 Annual Report summarises the following:

- the skills, experience, qualifications and expertise of each director;
- their special responsibilities; and
- their term of office and the details of any directors who ceased during the period.

Beach conducts regular Board reviews. The reviews ensure directors have continuing capacity and commitment to meet Beach's vision.

The size and composition of the Board is also reviewed regularly. The reviews ensure Beach has the right combination of experience, diversity and competence on its Board. Prior to the appointment of new directors, the Board has assessed the overall skills composition of the existing board and proposed

candidates.

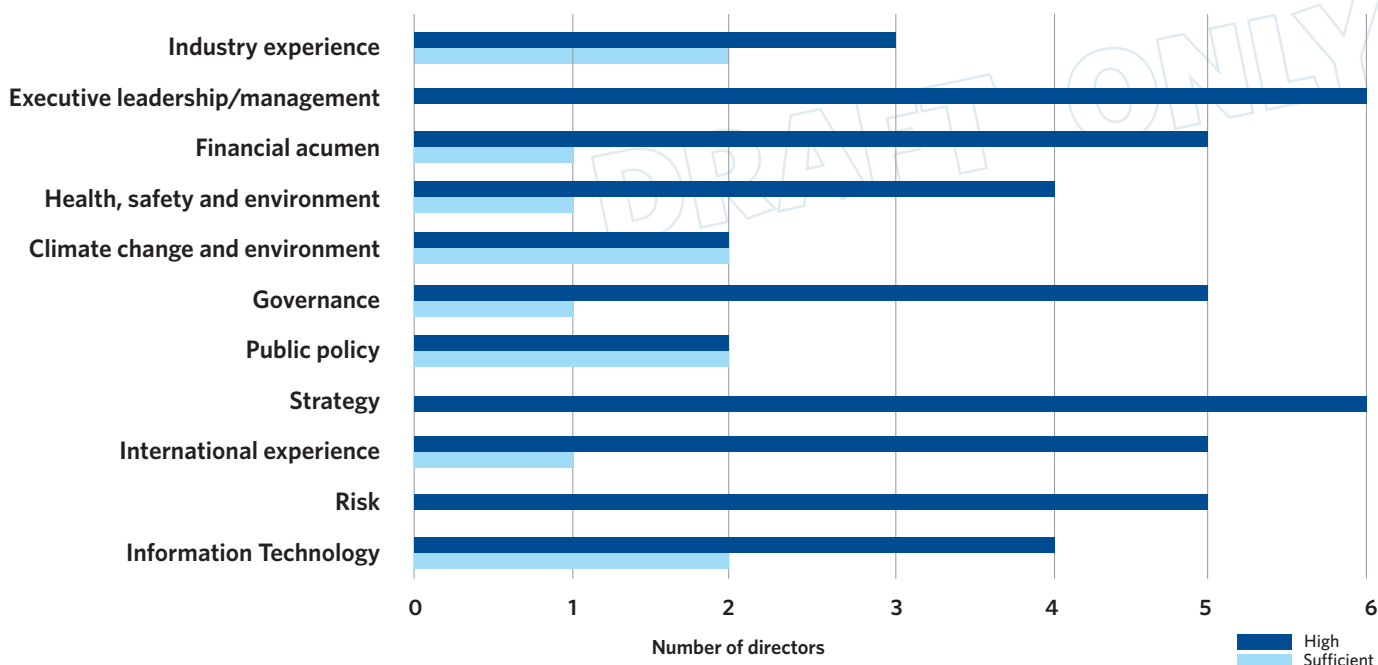
Beach links the mix of board skills to its goal to sustainably deliver energy for communities. The Board has identified four strategic pillars to support this goal:

1. optimise our core production hubs;
2. grow additional production hubs;
3. grow our east coast gas business; and
4. maintain financial strength.

**Diagram 1** below shows the Board's own assessment against what it considers to be the desirable skills and experience to achieve the company's strategic goals.

Diagram 1

### Skills and experience



Directors rated their capability against each area based on:

**High** - A clear strength based on tertiary qualification or extensive organisational experience leading in the area such that it is sufficient to be considered by peers (within the skill area) an expert. For example, an oil & gas geoscientist with seasoned exploration technical and leadership experience perceived as an expert by peer oil & gas leaders.

**Sufficient** - Sufficient skill and expertise to be an effective and respected contributor in the area.

## Board Diversity

### Gender

Male	Female
5	1

### Tenure

Years	No. of directors
9+	1
>6-9	2
>3-6	1
0-3	2

## 2.3 Directors' independence

The Board Charter requires that the roles of Chairman and Chief Executive Officer are not held by the same person. The Chairman should also be an independent director. Beach's Chairman, Mr Glenn Davis, is an independent non-executive director.

The Board assesses director independence against its director independence policy. Directors must disclose information that may have an effect on their independence. Applying the criteria in the independence policy, three out of the six directors are considered independent. The independent directors are Mr Davis, Ms Sally-Anne Layman and Dr Peter Moore.

The director independence policy defines an independent director as a non-executive director (not a member of management) who is free of any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the independent exercise of their judgment. In determining the independence of a director, the Board considers whether the director:

- is a substantial shareholder of Beach or an officer of, or otherwise associated with, a substantial shareholder of Beach;
- is employed, or has previously been employed in an executive capacity by Beach or another group member, and there has not been a period of at least three years between ceasing such employment and serving on the Board;
- is or has within the last three years been a partner, director or senior employee of a provider of material professional services to Beach, or another group member;
- is, or has been in the last three years, in a material business relationship (for example as a supplier or customer) with Beach, or another group member, or an officer of or otherwise associated with someone with such a relationship;
- has a material contractual relationship with Beach or another group member, other than as a director;
- has close family ties with any person who falls within the categories described above; and
- has been a director of Beach for such a period that his or her independence may have been compromised.

The Board has adopted the following materiality thresholds to assist with determining independence:

1. A provider of material professional services is one where the fees charged to Beach or the group in a financial year are more than 5% of the annual gross revenue of the provider or \$0.5 million, whichever is the lesser. A business relationship such as a supplier to or a customer of Beach or another group member will be material if the value of the purchases or sales in a financial year accounts for more than 5% of the annual consolidated gross revenue of the supplier or more than 5% of the annual consolidated expenditure of the customer, as the case may be, or \$1 million, whichever is the lesser.
2. A contractual relationship will be material where the value of the contract in a financial year accounts for more than 10% of the annual gross revenue or income of the director, or the contract is for more than 3 years.

On 9 August 2023, Mr Bruce Clement (who had previously been appointed a non-executive director on 8 May 2023) was appointed Interim Chief Executive Officer. The appointment will be for the period until Mr Brett Woods commences as the company's Managing Director and Chief Executive Officer. As a result of his executive role Mr Clement is not an independent director.

Beach has two non-executive directors who are not independent. They are Mr Richard Richards, who was appointed in February 2017 and Mr Ryan Stokes, who was appointed in July 2023. Both Mr Richards and Mr Stokes are nominees of Beach's largest shareholder, Seven Group Holdings Limited (SGH) and its related corporations, who collectively have a relevant interest in 30.02% of the shares of Beach.

Mr Richards is the Chief Financial Officer of SGH and Mr Stokes is the Chief Executive Officer and Managing Director of SGH. Arrangements appropriate to the appointment of a director representing a large shareholder have been agreed with SGH, Mr Richards and Mr Stokes to protect the confidential information of the Beach group and address any potential conflicts of interest that may arise.

## 2.4 Re-election of directors, director selection and board renewal

The constitution of Beach and the ASX Listing Rules require that at each annual general meeting, one third of directors (excluding a Managing Director and any director appointed since the last annual general meeting to fill a casual vacancy) and any other director who would otherwise be in office for 3 or more years at the end of the meeting, must retire from office. Retiring directors are eligible for re-election.

The Board reviews the performance of a retiring director before accepting their offer to stand for re-election.

The review includes an assessment of that director's competencies and ongoing capacity and commitment to fulfil the role. A director offering themselves for re-election must confirm they have enough time to meet their obligations to Beach.

Beach gives shareholders all pertinent information that it has relevant to the decision whether to elect or re-elect a director.

The Remuneration and Nomination Committee oversees the Board succession planning process. The Board may, with the help of external consultants, select a candidate or candidates.

The Board assesses candidates against general criteria. The Board may also use specific criteria to assess a candidate's ability to meet Beach's current specific needs.

The candidates are given information about the role. This includes the time and other contributions required, and the remuneration offered. The candidate must confirm they have enough time to meet their obligations to Beach. Appropriate checks are made of the candidate's character and skills to undertake the role of a director.

Beach has a program for the induction of new directors. The program includes a HS&E induction, meetings with management and site visits as required.

Beach has a written agreement with each director and senior executive setting out the terms of their appointment.

## 2.5 Independent professional advice and access to information and professional development

Each director has the right to independent advice about their rights, duties and obligations in relation to Beach. Beach may pay the costs of any advice obtained with the Chairman's prior approval.

Directors have access to Beach information, records and employees. That access is subject to obligations of confidentiality and privacy. Directors also receive copies of all market announcements promptly after release.

Directors may ask Beach management for reports or information to help make informed decisions about Beach. This is separate to regular reports given by management. Directors make the requests through the Board meeting or Chief Executive Officer.

Beach offers training to help directors maintain the skills and knowledge they need to perform their roles. During the reporting period, a number of presentations were made to the board regarding sustainability and emerging energy technologies.

## 2.6 Performance evaluation

Beach evaluates the performance of the Board, each committee and individual directors. This occurs for each reporting period and occurred for this reporting period. Each director and committee member completed a questionnaire, in addition management provides feedback on the performance of the board and its committees.

The evaluation reviewed:

- roles and responsibilities of the board and management and effectiveness of the interactions between the same;
- board and committee composition;
- strategy and risk management;
- boardroom behaviour and relationships and promoting a healthy board room culture;
- structure and conduct of meetings and board papers;
- key strategic and business priorities for the coming year.

The results of the review inform a plan to address material issues and improve Board performance.

The Chief Executive Officer and senior executives take part in annual performance reviews. Beach measures their performance against key performance indicators linked to Beach's objectives. Those reviews took place for this reporting period.

## 2.7 Directors and senior executives' remuneration

The following is set out in the remuneration report contained in the 2023 Annual Report:

- details of Beach's remuneration policies and practices;
- the remuneration structure for non-executive directors, the Chief Executive Officer and other senior executives; and
- the remuneration paid to non-executive directors, the Chief Executive Officer and other key management personnel.



Otway Gas Plant, Victoria

# Part 3 Board Committees

The Board has the following committees to assist it to meet its responsibilities:

- Audit Committee;
- Remuneration and Nomination Committee; and
- Risk, Corporate Governance and Sustainability Committee.

Each committee operates under a specific charter approved by the Board. The charters are available in the corporate governance section of Beach's website.

Details of the number of committee meetings held and its attendees are set out in the Directors' Report in the 2023 Annual Report at page 51. Further details of the qualifications of each committee's members are set out in the Directors' Report from page 48.

The Board considers the composition of each committee at least annually.

During the reporting period the composition and chairmanship of each committee met the requirements of the Principles.

## 3.1 Audit Committee

The Audit Committee's members are Ms Layman (chair), Dr Moore and Mr Richards.

Dr Moore was appointed to the committee on 24 March 2023.

A majority of the members are independent non-executive directors. The committee does the following:

- monitors the integrity of the statutory financial statements;
- reviews the statutory financial statements and reports and makes recommendations to the Board;
- liaises with external auditors and reviews their reports;
- reviews internal financial controls and internal control and risk management systems;
- provides oversight of Beach's insurance program;

- annually reviews the strategy, scope and structure of the Beach's insurance program, having regard to business, risks and available insurance; and
- makes recommendations to the Board about the appointment of Beach's external auditor.

The committee members have the following specific attributes relevant to the committee:

- financial acumen;
- technical industry knowledge; and
- experience in risk management and oversight.

The committee meets at least three times each year. It may in its discretion invite additional people to meetings, including:

- the external auditor;
- the internal auditor;
- the Chief Executive Officer; and
- the Chief Financial Officer.

The composition of the committee satisfies the requirements of the Principles. Even so, some proxy adviser and shareholder groups recommend that all Audit Committee members should be independent. One of Beach's Audit Committee members, Mr Richards, is a shareholder nominee director.

Mr Richards has significant financial expertise and is an experienced Chief Financial Officer. He is not an independent director, but the majority of the committee are independent directors.

The Audit Committee Charter was reviewed during the reporting year.

## 3.2 Remuneration and Nomination Committee

The majority of the members of the Remuneration and Nomination Committee are independent non-executive directors. The committee's members are Dr Moore (chair), Mr Davis, Ms Layman and Mr Stokes. Ms Layman was appointed to the committee on 24 March 2023. Mr Stokes was appointed on 11 August 2023.



The members of this committee have the following specific attributes:

- industry knowledge;
- governance expertise; and
- experience in leadership and senior management roles.

The role of the committee is to:

- recommend to the Board and monitor the implementation of succession plans in relation to the Chief Executive Officer and the Chief Executive Officer's direct reports;
- recommend to the Board a framework for setting the remuneration, and the individual remuneration packages, of the Chief Executive Officer and the Chief Executive Officer's direct reports;
- recommend to the Board the remuneration of non-executive directors and oversee the process for obtaining shareholder approval, when necessary, of changes to the directors' fee pool;
- review and recommend to the Board the design of incentive plans and any amendments to the rules of approved incentive plans;
- recommend to the Board the selection of, and engage on behalf of Beach once approved by the Board, external remuneration consultants to assist in designing Beach's remuneration framework and implementing appropriate remuneration levels within the approved framework;
- recommend to the Board, the Board's membership succession plan;
- recommend to the Board and monitor the implementation of the annual process for evaluating the performance of the Board, its committees and individual directors;
- recommend to the Board nominees for appointment, election or re-election to the Board; and
- make recommendations in relation to a diversity policy.

It is common practice for the Chief Executive Officer to attend meetings of the Remuneration and Nomination Committee, to report on and or seek approval of senior executive remuneration, but they are not present during Committee meetings (or the Board) where their own remuneration or performance is being discussed or reviewed.

The Remuneration and Nomination Committee Charter was reviewed during the reporting year.

### 3.3 Risk, Corporate Governance and Sustainability Committee

The Risk Committee's members are Dr Moore (chair), Ms Layman and Mr Richards, the majority of whom are independent non-executive directors. Ms Layman was appointed to the committee on 12 April 2023. Mr Richards was appointed on 11 August 2023.

The role of the committee is to assist the Board in:

- ensuring there is an appropriate corporate entity risk management framework and process, that is embedded at Beach, that identifies business, operational, financial and regulatory risks and the risk mitigation measures to manage those risks;
- articulating and periodically reviewing the risk appetite of Beach;
- ensuring Beach has appropriate business conduct and corporate governance policies, standards and practices;
- developing and approving the annual corporate governance statement in accordance with the ASX Listing Rules;
- ensuring compliance with all corporate governance requirements;
- developing a business sustainability framework, annual objectives and annual sustainability reporting;
- monitoring performance and reviewing Beach's policies and performance in relation to health, safety, environment, community, climate change and other sustainability matters; and
- reviewing the annual reserves audit process.

The Risk, Corporate Governance and Sustainability Charter was reviewed during the reporting year.

The combined set of skills and attributes of these directors is important in understanding and undertaking the risk oversight role of the Board and in ensuring appropriate governance practices at Beach.

# Part 4 Promote Ethical and Responsible Behaviour

## 4.1 Code of Conduct

Beach has a Code of Conduct that sets out standards of behaviour expected of its directors and employees and those Beach contractors who do work for it. Those standards require:

- compliance with the laws that govern Beach and its operations;
- its people to act honestly and with integrity and fairness in all dealings with others and each other;
- avoidance or management of conflicts of interest;
- Beach's assets to be used properly and efficiently for Beach's benefit;
- a contribution to the wellbeing of Beach's key stakeholders; and
- exemplary corporate citizenship.

There is also a procedure to report breaches or possible breaches of the Code of Conduct.

## 4.2 Tax Transparency

The Beach Taxation Policy recognises Beach's responsibility to pay tax to all revenue authorities globally according to the tax rules and legislation of the jurisdictions in which it operates. Beach manages tax risk in the same manner as any other operational risk, employs staff with appropriate qualifications and experience to manage its tax obligations, engages with revenue authorities (including the Australian Taxation Office and New Zealand Inland Revenue) in a transparent and cooperative manner, takes a conservative approach to tax planning and ensures that transactions are managed with a low level of tax risk.

Beach is also a signatory to the Board of Taxation's Tax Transparency Code which is a set of principles and minimum standards to guide businesses on

public disclosure of tax information. Beach releases an annual Tax Contribution Report following the recommendations outlined in the Tax Transparency Code to demonstrate its support of the public interest in the integrity of tax systems, and enhanced disclosure of taxes paid. Beach's Taxation Policy and FY22 Tax Contribution Report are available in the corporate governance section of the Beach website.

## 4.3 Modern Slavery

In December 2022, Beach published its third Modern Slavery Statement which focuses on setting out the actions taken by Beach to combat modern slavery. The statement incorporated a detailed multiyear action roadmap. Publication of the Statement was in addition to Beach adopting a Human Rights Policy and rolling out training to all employees regarding modern slavery issues.

The 2022 Modern Slavery Statement and Human Rights Policy are available in the corporate governance section of Beach's website.

## 4.4 Other Key Policies

To complement the Code of Conduct, Beach has a Whistleblower Policy to encourage the reporting of unethical behaviour free from reprisal or intimidation. Beach has an Anti-Bribery and Anti-Corruption Compliance Policy.

The Code of Conduct, Whistleblower Policy and Anti-Bribery and Anti-Corruption Compliance Policy are available in the corporate governance section of Beach's website.

## 4.5 Trading in Beach securities

Beach's Share Trading Policy restricts directors and employees from dealing in its securities where price sensitive information may be known within Beach but is not generally available. Dealing is also restricted in non-trading periods.

Directors and designated employees must give prior notice if they intend to deal in Beach securities. They must also seek confirmation that the proposed dealing complies with the policy. If the dealing is then made, the details must be notified to Beach within two business days.

The policy also prohibits directors and employees from hedging unvested securities, such as unvested options or options that are vested but under a holding lock, issued under a Beach equity-based incentive plan.

Also, directors must provide details of their dealings in Beach securities, so Beach can give notice to ASX on their behalf.

To ensure that the policy is being complied with, Beach monitors transactions through its share registry. Beach checks that a transaction corresponds with notice that has been made and approval that has been given. The Share Trading Policy can be viewed in the corporate governance section of Beach's website.

#### 4.6 Diversity

Beach is committed to creating an inclusive culture and working environment. Consistent with this objective, Beach has adopted a Diversity and Inclusion Policy which is available in the corporate governance section of its website. Key principles to implement this policy include:

- aim to create a workforce that is reflective of our society, knowing that by doing so, we enhance the capability of Beach;
- ensure leaders work in partnership with their teams to create and sustain an inclusive workplace where the individual uniqueness and breadth of talents, beliefs, backgrounds and capabilities are valued, encouraged and supported;
- ensure that decisions affecting employment, training, promotion and career development are always based on genuine merit;
- not tolerate bullying or harassment of any kind and we will protect and support our employees from any form of adverse treatment because of a perception related to individual differences; and
- not discriminate based on gender, age, disability, race & ethnicity, sexual orientation, marriage & civil partnership status, pregnancy, parental leave & adoption status, religion, gender identity or political opinion.

Beach has a number of policies, including the Indigenous Participation Policy, and Diversity and Inclusion Policy, which supports the creation of a

more inclusive, flexible, diverse and safe culture and workplace. These policies are reviewed periodically by the Remuneration and Nomination Committee. Both policies are available on the corporate governance section of Beach's website.

Consistent with these policies, Beach reflects its commitment to genuinely engage and support indigenous communities directly and through our supply chains.



Lang Lang Gas Plant, Victoria

Consistent with our Diversity and Inclusion Policy, the Board sets measurable objectives for achieving gender diversity and measures our progress against achieving those objectives. The Beach FY22-FY24 People Strategy and Diversity, Inclusion, Wellbeing

and Performance Plan was implemented to assist with this. Beach's progress in achieving these objectives over the reporting period is as follows follows (as at 31 July 2023, being the latest date the data is available up to, unless otherwise stated).

Focus Area	Goal	FY23 Metric	Progress	Comments
<b>1. Gender composition</b>	Female Board representation >=30% excludes CEO Target 30% by FY22.	Female Board representation >=30%	17%	The number of directors has changed during the course of the reporting period. At one stage, female board representation was 40%. The Board is mindful of this target as part of all board renewal and succession planning.
	Female workforce representation.	Female workforce representation >= 25%	24%	Improved on the FY22 result (22%) but the minimum composition of 25% was not met.
		Female Executive representation >= 25% (includes CEO)	38%	Target exceeded. An additional female executive, Group Executive People and Culture, was appointed during the year.
	Demonstration of moving women up into leadership or senior technical positions.	Female promotions are >= 25%	28%	Target met. 22 of 79 promotions were female.
		Key Management Personnel	20%	One out of Beach's five KMPs is female.
		Other Executives and General Managers	17%	—
		Senior Managers	24%	—
		Other Managers	24%	—
		Total Females in WGEA Manager Category Positions	23%	31 of 137 WGEA Manager Category positions are held by females.
		Females appointed to technical (Surface, Subsurface, some COO and geos) roles.	19%	Increase of 5% since FY22.
	Retention - ensure retention of female employees.	Total turnover	15.5%	Total turnover (male and female combined) up to end FY23.
		Female total turnover rate less than female total representation %	18% turnover rate of females 27% of total exits are female	% female turnover rate is less than total female representation (24%) up to end FY23.
		Female to male voluntary turnover % (excludes Board)	16% voluntary turnover rate of females or 26% of total voluntary exits were female	% female voluntary turnover rate exceeds % male voluntary turnover rate (13%) up to end FY23.
		Female to male involuntary turnover % (excludes Board)	2% involuntary turnover 33% of total involuntary exits were female	% female involuntary turnover is higher than male involuntary turnover rate (1%) up to end FY23.

## 2. Diversity and Inclusion

Focus Area	Goal	FY23 Metric	Progress	Comments	
Creation of an environment that is representative of expectations as set by social standards in the community and in accordance to legal requirements and supports attraction and retention.		Unconscious Bias Program >= 50% CEO-2 and CEO-3 attendance	52%	Target exceeded.	
		Decision Making Effectiveness Program (2 part module programs) >= 50% CEO-2 and CEO-3 attendance	30%	Target not met. Decision Making Effectiveness Training will continue in FY24.	
		Completion of a minimum of one cultural awareness training session for all CEO-1, CEO-2. One for New Zealand and one for Australia	96%	Target not met, although a strong improvement on FY22 (61%).	
		100% CEO-1 and CEO-2 awareness session on the obligations in the workplace on, age, sexual, harassment, race, and pregnancy and working parents	100%	Target met.	
		% of females to males shortlisted for each available Board position >=30%	33%	Target exceeded	
		% of females to males shortlisted per role >=30%	35%	Target exceeded.	
		Females shortlisted for Professional positions (as categorised by WGEA) >= 25%	54%	Target exceeded.	
		% of females hires >=30%	39%	Target exceeded.	
		% females accepted to vacation/internship programs >=50%	50%	Target met.	
		% females accepted to graduate programs >=50%	No program intake for FY23		
		Raise awareness of organisational approach to Pay Equity.	Undertake a pay equity audit throughout and at the conclusion of the FY23 remuneration review, identify gaps and actions to close. Audit complete Y/N	Yes	Audit completed as part of the WGEA Gap analysis process and annual remuneration review process.
	Continue to embed revised Flexible Working Arrangement Framework.		No of female and male employees on flexible arrangements M:F	51% of Flexible Working Arrangements are held by females	65 employees were on Flexible Working Arrangements.
		Number of part-time roles M:F	87% of part-time positions are held by females	23 employees are in part-time positions.	



**DANGER**  
ROTATING PARTS  
DO NOT ENGAGE WITHOUT  
GUARD IN PLACE  
FAILURE TO DO SO MAY RESULT  
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# Part 5 Recognise and Manage Risk

## 5.1 Risk oversight and management

Managing risk is critical for Beach to achieve its purpose of sustainably delivering energy for communities.

## 5.2 Risk management framework

The Beach risk management framework provides guidance to identify, understand, manage and report risks. This framework was reviewed during the reporting year.

As specified in its charter, the Board has responsibility for overseeing Beach's risk management framework and monitoring its material business risks.

Beach has a Risk Management Committee comprising the Chief Executive Officer and senior executives. It meets regularly and reports to the Risk, Corporate Governance and Sustainability Committee through the Chief Executive Officer.

The Risk, Corporate Governance and Sustainability Committee comprises non-executive directors.

An independent director chairs the committee. The committee's role is set out in its charter and is available on Beach's website. The committee's role includes the following:

- ensuring there is an appropriate risk management framework and internal systems to manage material business risks;
- developing and articulating a Risk Management Policy for approval by the Board;
- implementing the policy and any risk management plans;
- assisting the Board to review the effectiveness of those management systems; and
- reporting to the Board on whether Beach's material business risks are being managed effectively.

The Risk, Corporate Governance and Sustainability Committee works closely with the Audit Committee to ensure appropriate oversight and assessment of risks, including financial risks. The key documents

that record the risk management process at Beach are the following:

- the Risk Management Policy (found in the corporate governance section on Beach's website);
- the Risk, Corporate Governance and Sustainability Committee Charter;
- the Risk Management Committee Charter;
- the Risk Management Standard; and
- the Risk Management Procedure.

Beach's risk management framework is based on the International Standard for Risk Management (ISO 31000). The key documents aim to ensure:

- a consistent approach to managing risk, including use of the corporate risk matrix and maintaining a centralised corporate risk register for material risks;
- a consistent approach to monitoring and reviewing risk mitigation plans; and
- regular reporting of risks to relevant stakeholders including financial, operational and technical reports.

A brief description of the process follows.

Risks are identified and assessed using a consequence and likelihood methodology. Risks identified as material are included in a material risk register which is regularly reviewed by the Risk Management Committee to ensure that actions are implemented to manage and mitigate each of those risks. Each risk is assigned to a single accountable senior executive to consider and to monitor the risk control effectiveness.

Each business function is responsible for identifying, quantifying and managing the risks that relate to its function or responsibility. Once identified, risks are regularly reported on, together with the strategies developed to effectively control or mitigate them. This occurs through the Risk Management Committee and the Risk, Corporate Governance and Sustainability Committee for risks other than financial risks, which are also reported through to the Audit Committee. The business functions have a responsibility to properly assess risks and manage them. The business functions must routinely check the effectiveness of their internal controls.

A new risk or a risk whose profile changes (either to decrease or increase the risk) is identified by the business and the risk register is amended accordingly. The Risk Management Committee is notified of any new material risk; where responsibility lies to manage the risk; and what plans are in place to manage the risk.

### 5.3 Reporting on risk management framework

Over the reporting period, the Risk, Corporate Governance and Sustainability Committee received regular reports from the Risk Management Committee which included details of new material risks, progress on the mitigation of existing risks, alteration of risk profiles and current issues for consideration. The highest ranked material risks are considered in more detail on a quarterly basis by the Risk, Corporate Governance and Sustainability Committee or as the need arises from time to time as risks and their magnitude change. The Audit Committee continues to assist the Board to oversee issues concerning cyber security, financial reporting risk management and internal control and to test the effectiveness of systems.

The Board has also received written declarations from the Chief Executive Officer and the Chief Financial Officer for the full year ended 30 June 2023 that in their opinion, the declaration provided in accordance with section 295A of the Corporations Act has been formed on the basis of a sound system of risk management and internal controls which is operating effectively.

### 5.4 Business and sustainability risks

Given the nature of Beach's operations, there are many factors that could impact Beach's activities and results. The material business risks that could have an adverse impact on Beach's financial prospects or performance include economic risks, health, safety and environmental risks and social licence to operate risks. A description of the nature of the risk and how such risks are managed is set out in the Operating and Financial Review in the 2023 Annual Report, see pages 42 to 46.

Beach is committed to identifying and mitigating material environmental and climate risks affecting the business. The Board has knowledge of and is regularly provided with information to ensure our practices and procedures align and integrate climate risk into project decision making.

There is more information on the exposure that Beach has to these risks as well as economic, environmental and social sustainability risks and how they are managed, including Beach's aspirations and targets in its Sustainability Report which is on Beach's website and on the ASX website.

### 5.5 Internal audit

The Board continues to engage the services of internal audit adviser, PwC. Its role is to:

- on a risked basis, develop and deliver an internal audit plan reviewed and approved by the Audit Committee focused on the controls that manage Beach's key risks;
- conduct internal audit reviews as described in the plan and report results and recommendations to the Audit Committee and management; and
- follow up on agreed internal audit actions and report to the Audit Committee.

### 5.6 External audit

Beach's external auditor is Ernst & Young. The Audit Committee is responsible for making recommendations to the Board on the selection, appointment, reappointment or replacement (subject, if applicable, to shareholder ratification), remuneration, monitoring of the effectiveness, and independence of the external auditors, including resolution of disagreements between management and the auditor regarding financial reporting and rotation of audit partners. The lead audit partner and review partner of the external auditor must rotate every five years.

The external auditor is not engaged to perform any non-audit services that may impair the judgment of the external auditor or independence in respect of Beach. In line with Beach's non-audit services policy, the CFO must obtain the prior written approval of the Audit Committee Chair before the external auditor can be engaged to perform non audit services where:



the fee for the particular engagement exceeds \$50,000 and the annual fees for all non-audit services don't exceed, or are not likely to exceed, 30% of the auditor's annual audit fees. The CFO must obtain the prior written approval of the Audit Committee before the external auditor can be engaged to perform non audit services where: the fee for the particular engagement will result in the annual fees for all non-audit services exceeding, or likely to exceed, 30% of the auditor's annual audit fees.

The Board and Audit committee are also provided with a listing of all non-audit services provided by the auditor every six months as part of the half year and full year reporting.



# Part 6 Disclosure to and communication with shareholders

## 6.1 Timely and balanced disclosure

Beach operates under ASX's continuous disclosure regime. Information that may be price sensitive to the securities in Beach is immediately disclosed to ASX. The release is also placed on Beach's website.

In addition, any new and substantial investor or analyst presentations are also released on ASX ahead of the presentation and posted on the Beach website.

Beach's process for meeting its continuous disclosure obligations is in its Continuous Disclosure Policy. The policy is available in the corporate governance section of Beach's website.

## 6.2 Communication with shareholders

Beach's website is available for all shareholders and other interested parties to access current, publicly available information on Beach. In addition to the annual report, Beach distributes a half yearly review of its activities and results. It also releases quarterly reports. These are also posted on the website.

Shareholders can elect to receive communications by post or by email notification through Beach's website. Consistent with section 110K of the Corporations Act, Beach has published information on its website regarding how Shareholders may elect to receive key corporate communications.

Beach regularly undertakes campaigns through its share registry to encourage shareholders to receive communications electronically. Beach also has an electronic 'Contact Us' facility which can be accessed by shareholders through Beach's website. Beach has a dedicated investor relations team to assist in responding to shareholder enquiries.

Beach encourages its shareholders to attend its annual general meetings and to discuss and question the Board and management. Early notice of meeting dates is provided on Beach's website under its Corporate Calendar and in other publications. The notice of annual general meeting includes a form that shareholders are invited to submit ahead of the meeting with questions or to make comments on

matters relating to Beach. Beach also has a process of ensuring all substantial resolutions at a meeting of shareholders are decided by a poll rather than a show of hands.

These are answered at the meeting generally by inclusion in the presentation material. Representatives of the external auditor attend the annual general meeting and are available to answer questions from shareholders concerning the conduct of the audit and the preparation and content of the auditor's report.

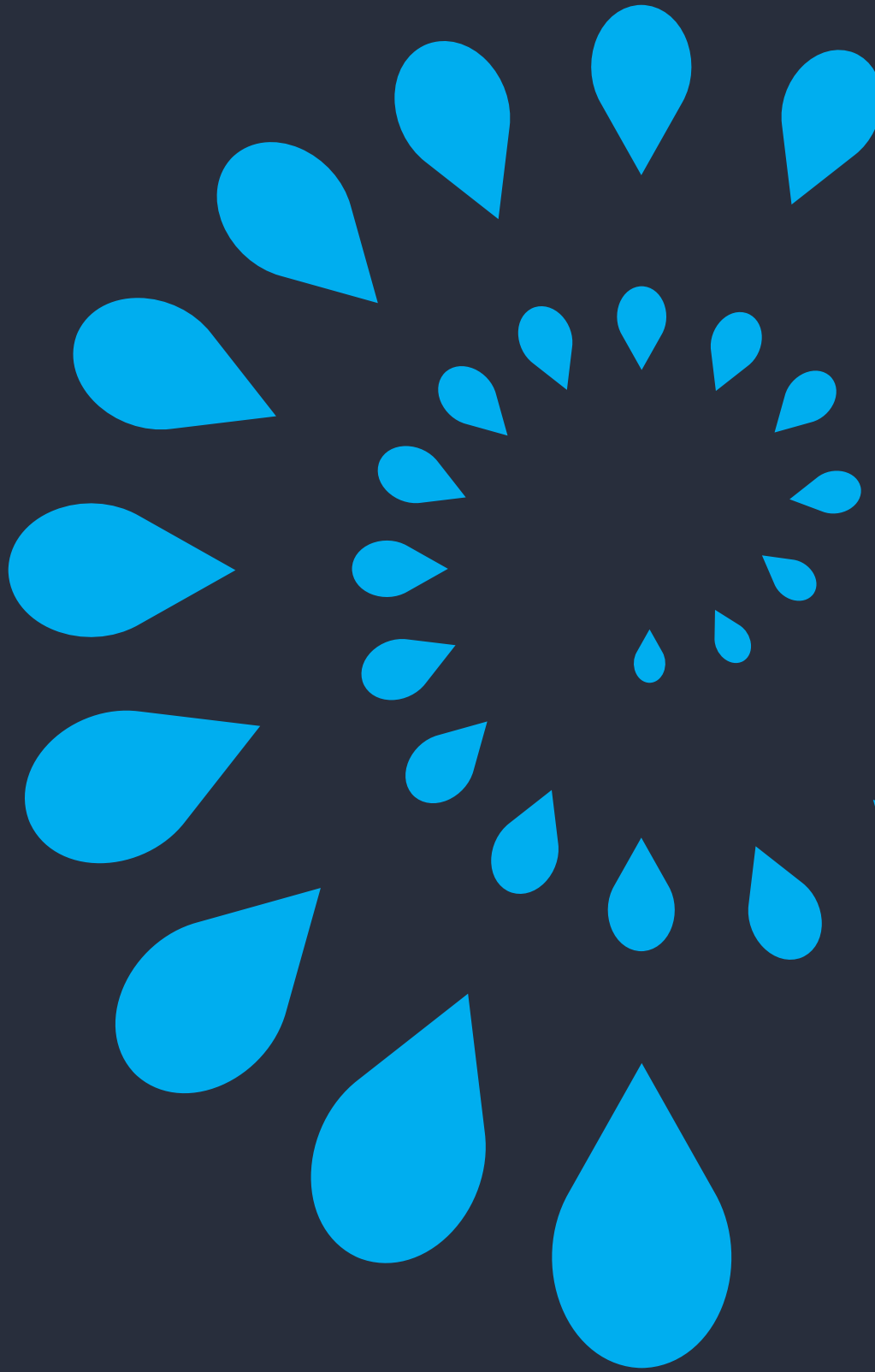
Beach has an investor relations program designed to facilitate two-way communications between Beach and its investors. Beach conducts regular roadshows and gives a range of updates and presentations to investors and the investment community throughout the year. It also webcasts key presentations including the half and full year results presentations. The annual general meeting is also webcast live and made available for viewing for those unable to view it live.

The 2022 annual general meeting held in person was also webcast live and made available for viewing for those unable to view it live. A description of the arrangements Beach has in place to promote communication with shareholders and participation at shareholder meetings can be viewed in the corporate governance section of Beach's website. Consistent with COVID protocols, the 2021 annual general meeting was held virtually. A description of the arrangements Beach has in place to promote communication with shareholders and participation at shareholder meetings can be viewed in the corporate governance section of Beach's website.

## 6.3 Verification of Corporate Reports



Beach completes verification of all Corporate Reports including the annual and half yearly financial statements, quarterly reports, sustainability report, modern slavery report or other periodic reports prepared for the benefit of shareholders.


The content of these reports is verified with reference to as appropriate reliable written source materials and data or sign off from the content owner and progress through a hierarchy of reviews and approvals before approval by the Board and release to the market.



**beach**

 Level 8, 80 Flinders Street,  
Adelaide SA 5000

 (08) 8338 2833  
 (08) 8338 2336

 [info@beachenergy.com.au](mailto:info@beachenergy.com.au)